

Washington, DC -- U.S. Representative Michael A. Arcuri (D-Utica) voted today for legislation (H.R. 3996) which would shield over 36,000 individuals in the 24th Congressional district from having to pay the Alternative Minimum Tax (AMT) in 2008, expand the child tax credit, and provide additional tax relief for homeowners.

“Today we passed serious middle-class tax relief – helping the thousands of local families who would be hit with higher taxes and extending key tax credits for middle-class families with children,” **said Arcuri**. “This Congress is committed to helping working families keep more of their hard earned money, invest in their children’s future, and achieve the dream of homeownership. I am committed to fiscal responsibility and proud that this bill provides real middle-class tax relief without increasing the national debt. It is long past time for the government to balance its budget just like families in Upstate New York.”

H.R. 3996 would save an estimated 21 million Americans from having to pay the AMT next year. In the 24th district, it would save over 36,000 people from having to pay higher taxes under the AMT, including approximately 5,782 individuals who make less than \$75,000 a year and have never had to pay the AMT before.

The AMT was originally developed to make sure multi-millionaires were paying their fair share of taxes and was never designed to hit middle-class families. Because the threshold for the AMT has never been adjusted for inflation, in the next few years this tax would trap millions of middle-class families with an unnecessary tax burden, many of them completely unaware.

The Temporary Tax Relief Act of 2007 (H.R. 3996), passed by the U.S. House of Representatives today, would:

- Provide 30 million homeowners with property tax relief by helping homeowners who do not itemize their deductions - permitting them to deduct up to \$700 (\$350 for single taxpayers) of property taxes in addition to their standard deduction;
- Help 10 million children by expanding eligibility for the \$1,000 refundable child tax credit;
- Help 4.5 million families better afford college by extending the current deduction for college tuition;
- Extend the deduction for the 3.4 million teachers who pay out-of-pocket for classroom items like books, computer equipment, and other supplies;
- Provide thousands of American troops in combat with tax relief under the Earned Income

Tax Credit.

H.R. 3996 also includes an extension of the Research and Development Tax Credit that allows companies to take a tax credit for a portion of their Research and Development expenditures - encouraging companies to invest in innovative technology that will help them remain globally competitive.

“Extending the Research and Development credit is vital to insuring that America remains on the cutting-edge of innovation that keeps our companies competitive,” **said Arcuri**. “This credit is of particular interest to the Upstate New York area because its extension will further the expansion of the microchip fabrication and nano-tech industries which are beginning to blossom in our region.”

H.R. 3996 is entirely revenue-neutral, does not involve government borrowing, and completely complies with House Pay-Go requirements. The tax relief is offset by closing loopholes and eliminating narrowly-targeted tax breaks for corporations. Arcuri strongly supported the bill, but voiced concerns with some of the specifics of these offsets.

“I am not in total agreement with all of the revenue raising measures contained in H.R. 3996, specifically the so-called ‘carried interest’ provisions, especially as they relate to certain real estate partnerships,” **said Arcuri on the House floor**. “However, I believe we cannot let the perfect be the enemy of the good. The Temporary Tax Relief Act of 2007 is a good bill that brings much needed tax relief to both America’s middle-class families and our businesses.”

As a member of the House Rules Committee, Arcuri spoke in support of the resolution providing for consideration of H.R. 3996 on the floor of the House of Representatives earlier today. A copy of Arcuri’s remarks is included below.

U.S. Rep. Michael A. Arcuri (NY-24)
In the House of Representatives
Rule for H.R. 3996, the Temporary Tax Relief Act of 2007
November 9, 2007

I thank my good friend and colleague from Massachusetts for yielding.

M. Speaker, I rise today in strong support of this rule and the Temporary Tax Relief Act of 2007.

I applaud Chairman Rangel and the House Leadership for providing a broad-based tax relief package in a way that promotes fiscal responsibility by complying with the Pay-As-You-Go rules adopted by the House at the beginning of this Congress.

To be honest, I'm baffled by the comments from some of our colleagues suggesting that they oppose actually paying for the \$50 billion dollar AMT portion of this bill and would rather add to the national debt – pushing our debt on to future generations.

M. Speaker, it was just that sort of fiscally irresponsible behavior that allowed the previous three Republican Congresses to erase the budgetary surplus that existed in 1999 and skyrocketed the national debt by more than 1.3 trillion dollars in the course of six years.

While I may not agree with 100 percent of all the so-called “pay-for’s” in this bill, I strongly believe that we in Congress must balance our own books – just as all taxpayers do with their own personal finances.

H.R. 3996 contains many important tax cuts for both businesses and individual tax-payers. Far and away, the most important of these would save an estimated 21 million Americans from having to pay the AMT. In the district I represent in Upstate New York, this bill will save over 36,000 people from having to pay higher taxes under the AMT, including nearly 6,000 who make less than \$75,000 a year and have never had to pay the AMT before. That's middle class tax relief, M. Speaker.

H.R. 3996 also includes an extension of the Research and Development Tax Credit that allows companies a tax credit for a portion of their R&D expenditures. Extending the R&D credit is vital

to insuring that America remains on the cutting-edge of innovation that keeps our companies competitive. This credit is of particular interest to the Upstate New York area that I represent because its extension will further the expansion of the microchip fabrication and nano-tech industries which are beginning to blossom in our region.

American companies rely on this credit and upon its continuity to adequately plan their long term research projects. I support this one-year extension to provide that continuity and I will continue to work with leaders on the Committee and in this body to seek a permanent extension that would eliminate concerns over expirations or lapses.

As I said earlier, I am not in total agreement with all of the revenue raising measures contained in H.R. 3996. I do have some reservations about the so-called “carried interest” provisions, especially as they relate to certain real estate partnerships. Specifically, I am concerned that the reclassification as income of carried interests paid to managers of real estate partnerships may create a disincentive for general partners to manage partnerships that seek to develop higher-risk projects in areas that need development or re-development.

No one questions the profitability of developing real estate in booming urban and suburban areas, but we should not remove incentives to bring new development and real estate projects in our nation’s older cities, still recovering from the post-industrial era.

In spite of these reservations, I will vote for this rule and H.R. 3996. I will continue to work with my colleagues to address these concerns. I am confident that together we can find an appropriate and fiscally responsible way of insuring that development projects in areas that depend on them will continue to attract the necessary investments.

I believe we cannot let the perfect be the enemy of the good. The Temporary Tax Relief Act of 2007 is a good bill that brings much needed tax relief to both America’s middle-class families and our businesses – and I am especially proud that we are doing so in a fiscally responsible manner.

I urge my colleagues on both sides of the aisle to vote for this Rule and the legislation.

Thank you, I yield back the balance of my time.

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